

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7178**

**BILL NUMBER:** HB 1661

**NOTE PREPARED:** Feb 11, 2003

**BILL AMENDED:** Feb 10, 2003

**SUBJECT:** Nursing Home Complaints.

**FIRST AUTHOR:** Rep. Day

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** X

**GENERAL  
DEDICATED  
FEDERAL**

X

**IMPACT:** State

**Summary of Legislation:** This bill allows a person who complained of an offense or deficiency by a health facility to have the results of the investigation reviewed. The bill provides that a health facility that does not provide health records of a deceased patient to a person entitled to the information within ten working days of the request, commits a breach for noncompliance.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** (Revised) *Review of Investigations:* The bill allows the person who complained of an offense or deficiency by a health facility to have the results of the investigation reviewed. The State Department of Health (DOH) reports that approximately 3,500 complaints are filed each year. No information was reported on the number of these complaints that involved offenses or deficiencies. Offenses and deficiencies are the most serious of the breaches as they are classified by the Department. The assumption is that any investigation that does not make the conclusions the complainant desires would potentially be subject to additional review, although the Department reported that 18 complaint reviews were opened in a period of 18 months. The ultimate cost of this provision will be dependent upon legislative or administrative actions taken since the term "review" is not explained in the bill. The bill specifies that the Department is to adopt rules to provide for a review of an investigation.

*Provision of Written Response:* The bill provides that the director must provide a written response to the party who complained of an offense or breach. The response must contain information about the availability of the surveyor notes and that the investigative report of the results of the licensure inspection related to the complaint is available upon request and how to go about requesting this information. This requirement is mainly administrative in nature and should not be a problem to the Department of Health. According to the Department's internet web site, the Department currently informs alleging parties of the results of the investigation in writing.

*Provision of Investigative Reports:* Currently, I.C.16-28-1-14(a) requires the Department to make reports

available and provides for a fee covering direct and indirect costs. The inspection reports may be quite lengthy and expensive to copy, however, the reports are available for inspection in the offices of the Department, and current law requires the health facilities to maintain and keep inspection reports for two years. These reports are further required to be made available for public inspection upon request. If a party requests a copy of investigative report of a licensure inspection, the bill specifies that the Department is to provide the copy within 90 days after the request was made.

**Explanation of State Revenues:** *Noncompliance Breach:* This bill provides that a health facility that does not provide health records of a deceased patient to a person entitled to the information within ten working days, commits a breach that is classified as a noncompliance. The remedies the Commissioner may impose for a breach of noncompliance are the suspension of new admissions for a period not to exceed 15 days, the imposition of a fine not to exceed \$1,000, or both. If the Commissioner of the Department of Health imposes a remedy and the facility immediately corrects the breach, the Commissioner may reduce the remedy by not more than 50%. If a breach that is a noncompliance is repeated within a 15-month period, the Commissioner may impose a remedy of suspension of new admissions for not more than 30 days, imposition of a fine not to exceed \$5,000, or both. The fiscal impact of the bill would be dependent upon the number of times a breach of failure to provide records would occur and what fines would be imposed by the Commissioner. Fines collected by the State Department are deposited in the state General Fund.

**Explanation of Local Expenditures:** County-owned nursing facilities would be subject to the imposition of noncompliance fines addressed by this bill if this breach were committed.

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Department of Health.

**Local Agencies Affected:**

**Information Sources:** Zach Cattell, Legislative Liaison for the Department of Health, (317) 233-2170; I.C. 16-28-5-4; and <http://www.state.in.us/isdh/regsvcs/ltc/complaints/index.htm>

**Fiscal Analyst:** Kathy Norris, 317-234-1360